Co-operative Education Strategy for the Co-operative Federation of Victoria

The following paper has been submitted by Mervyn Wilson, Chief Executive and Principal of the Co-operative College in the UK, following a brief visit to Australia in September 2005.

The visit comprised speaking at the Co-operatives Western Australia Conference, which provided an opportunity to meet a diverse range of co-operatives in WA, followed by a short visit to Melbourne, which provided an opportunity to meet the Board of the Federation, the Board and senior staff of Murray Goulburn, and advisors to the Minister for Consumer Affairs, Minister of Victorian Communities, and the Minister for Small Business.

1. Background Impressions

The co-operative sector in Australia differs from that of many countries in that, whilst relatively small in terms of its overall size, it is economically diverse. Whilst historically it has been strongest in the agricultural sector, that sector has suffered from demutualisations. In WA, co-operatives in the agricultural sector were still predominant, with others providing services in rural areas. New co-operatives have been formed to meet emerging needs, such as a water co-operative and a new taxi co-operative.

Perhaps the most innovative is Capricorn, which clearly demonstrates that co-operatives can have a significant role in a modern economy provided they identify the needs of their members, and work hard to meet those needs, including recognising that needs change over time.

The situation in Australia is further complicated by the fact that there is no representative body at federal level. The bodies operating at state level are all under-resourced, struggling to define their role, and in particular how to provide services that their subscriber members need.

The above situation has had one inevitable result. The movement has become virtually invisible to policy makers. The clear contribution that co-operatives can make to addressing rural issues, promoting inclusion, providing options for employee buy outs, providing another model for business start ups etc. is simply not there.

These combined factors have led to what I would describe as a crisis of confidence within the co-operative movement in Australia. It lacks cohesion, it lacks political recognition, and most importantly it lacks the confidence at presence to address these issues.

Co-operative education is clearly part of overall strategy to address these weaknesses – and leading co-operators should be congratulated

on their efforts to establish new co-operative education programmes

2. The Need for Co-operative Education

Co-operatives recognise the magnitude of the challenge. Many of the co-operators that I met at the conference in WA, together with those who are on boards of the co-operatives in Victoria maintain a strong commitment to co-operative identity and a desire to see that identity better used in their businesses. The absence of co-operative education in Australia meant they do not know how to do it, do not have resources or trainers that could help them understand more deeply the co-operative model, and how the application of its values could help them in the market place.

The two meetings held with Boards and/or senior officials of larger societies, Capricorn in WA and Murray Goulburn in Victoria strongly confirmed this. Both wanted strategies for member education. Both recognised the need to be able to communicate their co-operative difference to members, suppliers and employees. From the discussions with both, it was clear that they undertake many positive activities that derive from their co-operative nature, but they do not know how to aggregate such actions into a clear co-operative education programme.

Recommendation

That we develop proposals for executive level workshops on co-operative identity values in practice for Capricorn and Murray Goulburn, with a view to working with senior management and/or boards of directors to help them explore their co-operative identity further, identify actions they currently undertake consistent with their values, identify areas where further work is needed in advance of developing a clear strategy and education programme for members, suppliers and employees.

3. Director & Member Training

The lack of any Co-operative Director & Member Training in Australia means that the societies committed to good governance have instead used other private sector director training programmes. In the agricultural sector, the Agri Bis Conference organised by Monash University provides some input, and a number of the state co-operative associations/federations run annual conferences with some educational input.

There is however a complete lack of structured member development. The nearest thing to this appears to be some of the TAFE programmes developed for the agricultural community, to help support smaller farmers. It will be important to map the learning from these programmes, with a view to identifying gaps in provision which could form of start point for the development of director training.

It is vital that development of training for directors and members is driven by a clear understanding of the needs of the elected directors and

members, and therefore TNA (training needs analysis) work is essential.

One possible route for this will be by working more closely with Brad Plunkett at the Department of Agriculture in WA. Brad has already commissioned Elizabeth Cheong to undertake preliminary work mapping the extent of provision of agriculture co-operatives in WA.

Recommendations
That we liaise with Elizabeth Cheong and Brad Plunkett with a view to developing the Agriculture Department in WA's interest in co-operatives into a wider strategy leading to the development of some co-operative director training by

a. Supporting the mapping work being undertaken by Elizabeth Cheong.
b. Encouraging Brad to follow this up by commissioning Elizabeth to undertake case studies of a number of the co-operatives identified by the mapping.
c. To parallel the case study development with TNA amongst the boards of the co-operatives featured and to use the TNA as the basis for recommendations on the development of modular director training to complement the existing TAFE programmes.
d. To seek the support of Co-operatives WA in this strategy.

4 Study Visits

Further evidence of the interest in co-operative education was the positive report by Tony Edwards from United Farmers of the benefit of the study visit he had recently undertaken to Europe. Similarly Jenny Grigg's comments arising from her Churchill Fellowship study visits to the US, Canada and Ireland again emphasised the importance of using study visits as part of a wider co-operative education programme.

Laurie Dooley at Monash is clearly interested in developing study tours as an additional offer to agriculture co-operatives to the existing Agri Business Seminar.

Recommendation
That the Co-operative College and CFV collaborate with Monash University to promote an annual study tour to the UK (and Ireland?). Programmes to be jointly badged, with CFV identifying potential participants, and directly negotiating a "recruitment fee". The Co-operative College to liaise with Monash University regarding timing, tuition, organisation inputs in the UK.

5 Making Co-operatives Visible

Visits to the respective ministerial advisors had a disappointing start, but an extremely positive finish. Meredith Budge, Advisor, Victorian

Communities, clearly recognised the potential of community co-operatives and self-help solutions in rural areas. Equally the official at the office of the Minister for Small Businesses were by far the most positive, to the extent they wanted a programme running for senior staff whilst there if possible.

Both recognised that the existing advisory services, whether for community development or small business advice, were blind to co-operative models. They also recognised that existing services would not be equipped to provide such advice/services, creating a clear basis for a strategy whereby CFV updated its case studies, worked with the respective ministries to publish them, and then provide consultancy support on co-operative development.

Recommendations

a. That an early proposal be developed to go to the Advisers to Ministers for Small Businesses and Victorian Communities to develop case studies and background notes on co-operatives in Victoria to be made available to advisers within the respective communities.
b. That the proposal includes the offer to run training sessions to introduce the materials.
c. That the materials include a clear signposting service, not just to other resources, but offering the services of CFV as consultants to assist in co-operative development.

6 Education Resources for Schools

There is clearly a major debate underway regarding outcomes based education. My understanding from the preliminary discussions are that this is an alternative to the more proscriptive UK-based national curriculum, and gives more flexibility to teachers in terms of the materials they use to deliver the required outcomes.

It provides an opportunity, provided the case study materials are developed for the other services, to produce a resource pack (based on the *Not Just for Profit* pack) for distribution to schools.

Recommendation

That discussions take place between CFV and relevant education ministries regarding the potential to develop a customised version of the *Not Just for Profit* using the case studies.

7 Learning Materials

Part of the wider strategy must be to get more co-operative literature in circulation and under discussion. Some of the most effective aspects of co-operative and political education in the past have been using resources (from lantern slides to discussion texts) to get groups of adults actively discussing co-operative issues.

CFV could use its incredibly successful website to help kick start

such a project, working initially in partnership with the Co-operative College and some of the resource material it has developed (from historic video material to current material on marketing our co-operative advantage for example) whilst providing an opportunity to promote publications.

CFV should monitor developments with the proposed Co-operative Learning Centre under the auspices of the ICA/ILO, as one of the objectives of this is to signpost co-operators to learning resources.

Recommendations

a. That CFV and the Co-operative College formalise arrangements for the promotion of publications on the CFV website (with a suitable financial return to CFV).
b. That CFV consider ways of encouraging discussion around learning resources, including the *Marketing Our Co-operative Advantage* materials, historic videos, etc.
c. That CFV monitor developments with the CLC.

8 Longer Term Strategy

It is clear the recommendations above are practical steps that could be implemented in the next 12-18 months, and would, if successful kick start the process of developing co-operative education in Australia. Successful programmes with the senior management at Capricorn and Murray Goulburn should lead to the development of wider programmes.

The modes of delivery of these would be discussed during the initial workshops, but, in the case of Capricorn, would include consideration of e-learning, possibly through the development of a customised module of the type used on the *A Different Kind of Business* series. If two or more co-operatives in Australia went down that route, it would be relatively straightforward to develop a module in that series on the theme *A Different Kind of Business* featuring case studies from Australia.

Similarly if the work with agricultural directors in WA were to take off, it could be replicated elsewhere, building on the positive contacts established with both Jenny Grigg and the Centre Inc.

9 Conclusions

The co-operative movement in Australia is fragmented and diverse. Despite that and the lack of any structured co-operative education provision, significant parts of it still have confidence in their co-operative identity.

There therefore exists a real opportunity to help those organisations committed to their co-operative identity to progress, through the steady

building of co-operative education provision. This will clearly be hampered by the lack of resources, and therefore it is essential that the strategy is not over ambitious, but incremental, with each step building on each other, building credible partnerships amongst key co-operatives and other bodies and keeping a strategic view, namely to actively support the development of a flourishing co-operative sector in Australia through the development of co-operative education. The Co-operative College confirms that would be delighted to be a full partner with CFV in such a strategy.

Summary of Recommendations

1. That we develop proposals for executive level workshops on co-operative identity values in practice for Capricorn and Murray Goulburn, with a view to working with senior management and/or boards of directors to help them explore their co-operative identity further, identify actions they currently undertake consistent with their values, identify areas where further work is needed in advance of developing a clear strategy and education programme for members, suppliers and employees.

2. That we liaise with Elizabeth Cheong and Brad Plunkett with a view to developing the Agriculture Department in WA's interest in co-operatives into a wider strategy leading to the development of some director training by
    a. Supporting the mapping work being undertaken by Elizabeth Cheong.
    b. Encouraging Brad to follow this up by commissioning Elizabeth to undertake case studies of a number of the co-operatives identified by the mapping.
    c. To parallel the case study development with TNA amongst the boards of the co-operatives featured and to use the TNA to inform the development of modular director training to complement the existing TAFE programmes.
    d. To seek the support of Co-operatives WA in this strategy.

3. That the Co-operative College and CFV collaborate with Monash University to promote an annual study tour to the UK (and Ireland?). Programmes to be jointly badged, with CFV identifying potential participants, and directly negotiating a "recruitment fee". The Co-operative College to liaise with Monash University regarding timing, tuition, organisation inputs in the UK.

4. That an early proposal be developed to go to the Advisers to Ministers for Small Businesses and Victorian Communities to develop case studies and background notes on co-operatives in Victoria to be made available to advisers within the respective communities.

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7. That the discussions take place between CFV and relevant education ministries regarding the potential to develop a customised version of the *Not Just for Profit* using the case studies.

8. That CFV and the Co-operative College formalise arrangements for the promotion of publications on the CFV website (with a suitable financial return to CFV).

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10. That CFV monitor developments with the CLC.

Other Issues for Consideration by CFV

Discussions with both CFV and Co-operatives WA revealed the fragile nature of these organisations, and the challenges they face in providing any services to co-operatives that the larger co-operatives feel worth paying for.

Yet there are clear gaps within the governance framework that only Apex bodies such as CFV and Co-operatives WA could fulfil. It is here that there are real opportunities to develop, in partnership with these larger societies, new services.

1. **Governance**

   In the UK the process of the development of the Corporate Governance Code of Best Practice and subsequent implementation and compliance reporting has provided a major role for Co-operatives UK

   Discussions at Capricorn revealed that they work within the Governance Framework of Company Law, which means that many of the specific aspects of co-operatives are not considered.

   Recommendations

   a. That CFV review the UK Corporate Governance Code of Best Practice, with a view to establishing a small working party comprising the secretaries of two or three of the larger co-operatives to see if they could develop an agreed Co-operative Corporate Governance Code of Best Practice that could then be offered to co-operatives throughout Victoria.
   b. That, on completion of the above, consideration is given to offering this service to other co-operative apex bodies in Australia.
   c. That CFV consider what additional services in terms of implementation of the Code it could provide, including arranging specialist training for example on the role of Audit Committees.

2. **Certification**

   Another area of growing interest within the international co-operative movement is of some form of certification that a co-operative business is operating as a bona fide co-operative. Work by Gerard Peron in Quebec has attracted the interest of the International Co-operative Alliance, who would clearly like to see a certification scheme in place. In the UK, key co-operative and social performance indicators have been developed, following earlier work on appropriate key commercial performance indicators.

   Recommendation

   That CFV review the key co-operative and social performance indicators and the debate around certification to determine whether or

not it is practical to develop a role for CFV in this field.

3. **Legal**
The discussions with both WA and Victoria indicated that co-operative law both varied from state to state, and also, whilst under discussion, did not appear to be being discussed within the context of ILO Recommendation 193 on the promotion of co-operatives. This is remarkable considering that ILO 193 has already influenced significant improvements in co-operative legislation in many parts of the world, and should have been considered formally by governments together with their tripartite partners, employers organisations and worker organisations.

Recommendations

a. That the Board of CFV review their existing legal provision against the framework of ILO 193 to determine if there are clear deficiencies that the ILO recommendation could assist with.

b. If there are recommendations that could be made, for improvements in co-operatives law, that CFV consider holding a seminar for major co-operatives within Victoria to highlight these issues, with a view to making recommendations to the Minister for Consumer Affairs.

c. That if the above does take place, CFV consider sharing its expertise with apex bodies in other states.

Note
If it is clear that there are deficiencies in legislation when compared to ILO 193, it would be worth keeping the ILO Co-operatives Branch informed, as it is possible that they could send someone to attend a specialist seminar.

4. **Co-operative Day**
Co-operatives in Belgium have also struggled to get co-operative identity on the policy agenda. They decided to organise an event for International Co-operative Day, and invite the Minister with responsibility for co-operatives to open it. It proved highly successful, and the basis of an ongoing dialogue.

CFV could consider organising a similar celebration event, possibly in partnership with one of the larger co-operatives, to which a minister with responsibility for co-operatives is invited. There is always good material available from the ICA in terms of the Co-op Day message. It is also an opportunity to link up with co-operatives around the world, video-conferencing, web links etc

Recommendation

That CFV consider arranging in partnership with one of the major co-

operatives, an International Co-operative Day celebrations event in 2006.

Summary of Recommendations

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Chief Executive and Principal
11 October 2005